

## Message Text

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FM SECSTATE WASHDC  
TO AMEMBASSY LAGOS IMMEDIATE  
INFO AMEMBASSY BONN  
AMEMBASSY LONDON  
AMEMBASSY OTTAWA  
USMISSION IAEA VIENNA

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E.O. 11652: N/A

TAGS: BENC, ENRG, MNUC, NI

SUBJECT: NIGERIA'S NUCLEAR POWER PLANT

REF: (A) LAGOS 13278; (B) STATE 288758

1. FOLLOWING ARE RESPONSES TO QUESTIONS RAISED PARA 3,  
REF (A). THIS MAY BE DRAWN ON FOR AN APPROPRIATE ORAL  
COMMUNICATION WITH NIGERIAN OFFICIALS.

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2. THE USG HAS LONG BEEN ACTIVE IN COOPERATING WITH OTHER  
NATIONS IN THE NON-SENSITIVE ASPECTS OF THE CIVILIAN NUC-  
LEAR FUEL CYCLE AND IS PREPARED IN PRINCIPLE, TO NEGOTIATE  
NUCLEAR POWER AGREEMENTS FOR COOPERATION, COVERING THE EX-  
PORTS OF REACTORS AND ENRICHED URANIUM FUEL, TO FRIENDLY  
NATIONS PREPARED TO ADHERE TO RESPONSIBLE NON-PROLIFERATION  
CONSTRAINTS. THE US POSITION AS A RELIABLE AND STABLE  
SUPPLIER OF NUCLEAR FUELS AND EQUIPMENT FOR OVER TWENTY  
YEARS, HAS BEEN UNRIVALED AND AT THE PRESENT TIME THE US  
HAS IN EFFECT TWENTY-THREE AGREEMENTS THAT HAVE THE RE-

QUISITE ENABLING AUTHORITY TO FUEL APPROXIMATELY 149 POWER STATIONS. IT ALSO SHOULD BE STRESSED THAT US REACTORS OF THE LIGHT WATER TYPE HAVE BECOME THE MOST WIDELY ACCEPTED NUCLEAR POWER STATIONS IN COMMERCIAL USE THROUGHOUT THE WORLD. ALSO THE IMPORTANCE OF PRESERVING THE ROLE AS A

STABLE AND RELIABLE SUPPLIER OF NUCLEAR FUELS AND EQUIPMENT--PROVIDED ADEQUATE NON-PROLIFERATION CONSTRAINTS APPLY--HAS LONG ENJOYED BIPARTISAN SUPPORT WITHIN THE UNITED STATES.

3. AGAINST THIS BACKGROUND, AND RECOGNIZING NIGERIA'S PARTICIPATION IN THE NPT, THE USG WOULD BE FULLY PREPARED TO DISCUSS NIGERIA'S TECHNICAL NEEDS AND INTERESTS SHOULD THE FMG BE SERIOUSLY INTERESTED IN CONSIDERING A US OPTION TO ACQUIRING A NUCLEAR POWER STATION. WHILE WE, OF COURSE, CANNOT SPEAK FOR THE NEXT ADMINISTRATION, WE ARE CONFIDENT THAT NIGERIA'S INTERESTS AND NEEDS WOULD BE CONSIDERED. MOREOVER, AS SOON AS THE NEW ADMINISTRATION HAS OPPORTUNITY TO DEFINE ITS POLICIES IN THIS AREA, WE WOULD BE PREPARED TO INFORMALLY DISCUSS THE TERMS AND CONDITIONS THAT WE EXPECT TO APPLY TO OUR FUTURE NUCLEAR POWER AGREEMENTS WHICH REFLECT OUR LATEST NON-PROLIFERATION POLICIES. WE ALSO ASSUME THAT THE FMG MIGHT HAVE AN INTEREST IN SOLICITING THE ADVICE OF THE USG IN PLANNING THE ORGANIZED LIMITED OFFICIAL USE

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TIONAL AND REGULATORY ASPECTS OF ITS PROGRAM.

THE USG GIVES GREAT WEIGHT TO TERMS OF THESE AGREEMENTS ONCE THEY HAVE BEEN NEGOTIATED, AND IT HAS NOT REPEATED NOT BEEN OUR POLICY OR PRACTICE TO MAKE MATERIAL CHANGES IN OUR RELATIONSHIPS WITH A COOPERATING STATE UNILATERALLY OR ARBITRARILY. WE OBVIOUSLY HAVE AN INTEREST, HOWEVER, IN ASSURING THAT THE IMPLEMENTATION OF OUR AGREEMENTS IS SUPPORTIVE TO OUR NON-PROLIFERATION INTERESTS AND SINCE MANY OF OUR NUCLEAR POWER AGREEMENTS RUN FOR AS LONG AS 30 TO 40 YEARS, WE CANNOT RULE OUT SITUATIONS WHERE WE MIGHT WISH TO REVIEW THE TERMS AND CONDITIONS WITH THE COOPERATING STATE TO ASSURE THAT THEY ARE STILL TIMELY. WE DO NOT FULLY UNDERSTAND FROM REF (A), PARA 1, REFERENCE TO WASHINGTON POST ARTICLE OR TO INDIA. AS IS WELL KNOWN, HOWEVER, INDIA IS NOT AN NPT PARTY AND THE INDIA NUCLEAR DETONATION--WHICH WAS THE FIRST ONE EMPLOYING EXTERNAL "PEACEFUL" ASSISTANCE, OBVIOUSLY TRIGGERED A MAJOR RE-EXAMINATION OF NUCLEAR EXPORT POLICIES IN BOTH THE U.S. AND OTHER SUPPLIER COUNTRIES. WE DO NOT BELIEVE, HOWEVER, THAT THE INFLUENCES OF THE INDIAN EXPERIENCE SHOULD CREATE DOUBTS AS TO CONTINUITY OF FUEL AND EQUIPMENT SUPPLY IN THE MINDS OF THOSE OTHER CONSUMING NATIONS THAT ARE FULLY MEETING THEIR NON-PROLIFERATION OBLIGATIONS.

4. FROM A PROCEDURAL STANDPOINT, THE FOLLOWING ADDITIONAL INFO ALSO IS PROVIDED TO THE EMBASSY FOR ITS USE IN ITS DISCUSSIONS WITH THE FMG.

(A) THE ATOMIC ENERGY ACT OF 1954, WHICH GOVERNS EXPORT OF NUCLEAR FACILITIES AND MATERIALS FROM THE US REQUIRES THAT EXPORTS OF NUCLEAR POWER REACTORS AND THE ENRICHED URANIUM REQUIRED FOR THEIR FUELING CAN BE UNDERTAKEN ONLY PURSUANT TO AN AGREEMENT FOR COOPERATION. AS NOTED, USG NOW HAS 23 SUCH AGREEMENTS IN EFFECT WITH OTHER COUNTRIES AND SEVERAL OTHERS UNDER NEGOTIATION. THEREFORE, SHOULD FMG BE LIMITED OFFICIAL USE  
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SERIOUSLY INTERESTED IN PURCHASING A REACTOR FROM US COMPANY, IT WILL BE NECESSARY TO NEGOTIATE AGREEMENT FOR CO-OPERATION.

(B) OUR AGREEMENTS TO DATE HAVE INCLUDED, INTER ALIA, "PEACEFUL USES" GUARANTEES, SAFEGUARDS REQUIREMENTS (WITH CERTAIN FALL-BACK RIGHTS ACCORDED TO US BUT SUSPENDED IN FAVOR OF IAEA SAFEGUARDS AND COMPATIBLE WITH NPT OBLIGATIONS), AND PROVISIONS COVERING THE GENERAL TERMS AND CONDITIONS OF SUPPLY.

(C) IN CONFORMANCE WITH THE PRESIDENTIAL NUCLEAR POLICY MESSAGE OF OCTOBER 28, WE WOULD EXPECT OUR FUTURE AGREEMENTS TO INCLUDE NEW PROVISIONS DESIGNED TO ASSURE, AMONG OTHER THINGS, THAT APPLICATION OF EFFECTIVE CONTROLS OVER WHERE THE FUELS SUPPLIED BY THE US OR EMPLOYED IN US REACTORS MAY BE REPROCESSED AND WHERE ANY PRODUCED PLUTONIUM MAY BE STORED OR FABRICATED. WE ALSO WOULD VISUALIZE TERMS TO ASSURE THAT ADEQUATE PHYSICAL SECURITY MEASURES WILL BE APPLIED TO MATERIALS TRANSFERRED, MORE EXPLICIT ASSURANCES THAT NO US ASSISTANCE CAN BE EMPLOYED IN THE DEVELOPMENT OR MANUFACTURE OF A PEACEFUL NUCLEAR EXPLOSIVE DEVICE, THE INCLUSION OF UPDATED CONTROLS ON RETRANSFERS AND OTHER PROVISIONS DESIGNED TO BRING OUR AGREEMENTS IN LINE WITH CURRENT NON-PROLIFERATION CRITERIA. OTHER SUPPLIERS, INCLUDING THE FRG, ALSO ARE UPGRADING THEIR AGREEMENTS TO INCLUDE SEVERAL OF THESE NEW PROVISIONS.

(D) ALL NUCLEAR POWER AGREEMENTS FOR COOPERATION MUST BE APPROVED BY THE PRESIDENT, SIGNED UPON HIS AUTHORIZATION, AND SUBMITTED TO THE CONGRESS FOR 60-DAY PERIOD. AGREEMENTS FOR COOPERATION PROVIDE AN ENABLING FRAMEWORK FOR SUPPLY BUT ACTUAL SUPPLY COMMITMENT IS CONTAINED IN INDIVIDUAL PROJECT SUPPLY CONTRACTS. ANY APPROPRIATE AGREEMENT FOR COOPERATION MUST BE IN FORCE BETWEEN THE US AND THE OTHER PARTY CONCERNED BEFORE A LICENSE TO EXPORT A LIMITED OFFICIAL USE

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REACTOR OR ENRICHED URANIUM FUEL MAY BE ISSUED BY THE INDEPENDENT US NUCLEAR REGULATORY COMMISSION (NRC). THE NRC LOOKS TO THE EXECUTIVE BRANCH FOR GUIDANCE ON THE FOREIGN POLICY AND NATIONAL SECURITY IMPLICATIONS OF PROPOSED EXPORTS AND, EVERY EFFORT IS MADE TO PROCESS LICENSE

APPLICATIONS AS QUICKLY AS POSSIBLE.

(E) AT THIS TIME THE USG IS THE SOLE US SUPPLIER OF URANIUM ENRICHING SERVICES NEEDED TO PRODUCE FUEL FOR REACTORS. ERDA'S CURRENT CAPACITY TO SUPPLY ENRICHED URANIUM FOR LONG-TERM NEEDS HAS BEEN COMMITTED AND FOR THE TIME BEING ERDA IS NOT ABLE TO ENTER INTO ANY NEW LONG-TERM FUEL SUPPLY CONTRACTS. HOWEVER, IT IS POSSIBLE THAT AN ERDA CUSTOMER FOR ENRICHMENT SERVICES MAY WISH TO REASSIGN ITS CONTRACT TO ANOTHER CUSTOMER SUBJECT TO ERDA'S APPROVAL. THIS HAS BEEN DONE IN SEVERAL INSTANCES. MORE BROADLY, THE USG HAS LONG BEEN COMMITTED TO THE POLICY OF BEING A RELIABLE AND CREDIBLE SUPPLIER OF ENRICHED URANIUM TO COOPERATING NATIONS. THIS POLICY WAS REAFFIRMED IN THE RECENT PRESIDENTIAL MESSAGE WHICH INDICATED THAT THE US WAS PREPARED TO ISSUE "BINDING LETTERS" OF INTENT TO SUPPLY ENRICHED URANIUM TO COOPERATING COUNTRIES COMPLYING WITH APPROPRIATE NON-PROLIFERATION CONSTRAINTS. INITIAL AUTHORIZATION FOR A SUBSTANTIAL INCREASE IN US ENRICHMENT CAPACITY WAS APPROVED AT THE MOST RECENT SESSION OF THE CONGRESS, AND THERE IS BROAD BIPARTISAN AGREEMENT ON THE POLICY OF INCREASING US ENRICHMENT CAPACITY AS NEEDED. THUS, WE HAVE EVERY CONFIDENCE THAT ADDITIONAL US CAPACITY WILL BE INSTALLED ON A TIME SCALE COMPATIBLE WITH GROWING DEMANDS.

(F) REACTORS ARE SOLD BY PRIVATE VENDORS AND NOT THE USG.

(G) IT IS IMPOSSIBLE TO PREDICT HOW LONG THE ENTIRE PROCESS WOULD TAKE FOR ANY GIVEN AGREEMENT FOR COOPERATION,

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INCLUDING A POSSIBLE ONE WITH THE FMG, SINCE THIS DEPENDS ON SPEED WITH WHICH NEGOTIATIONS COULD BE CONCLUDED. SHOULD NEGOTIATIONS PROCEED SMOOTHLY, SUBMISSION TO CONGRESS DURING CURRENT SESSION WOULD BE POSSIBLE.

(H) GIVEN SOME POSITIVE INDICATION FROM THE FMG, WE WOULD BE PREPARED TO EXPLORE THE PROSPECTS OF COOPERATION WITH NIGERIA IN ACCORDANCE WITH THE CRITERIA SET FORTH IN THE PRESIDENT'S OCTOBER 28 NUCLEAR POLICY STATEMENT (A COPY OF

WHICH IS BEING POUCHED TO EMBASSY). HOWEVER, SINCE WE ARE NOW DEVELOPING AN OVERALL STRATEGY FOR IMPLEMENTING THAT MESSAGE, WE WOULD REQUIRE AN INTERVAL BEFORE WE COULD INAUGURATE DISCUSSIONS WITH THE FMG. ACCORDINGLY, SHOULD THE FMG BE INTERESTED IN PURSUING THIS SUBJECT WITH THE USG, WE WOULD SEE SOME MUTUAL MERIT IN DEFERRING DETAILED DISCUSSIONS UNTIL FEBRUARY OR MARCH.

(I) TO HELP US PREPARE FOR DISCUSSIONS OF THIS CHARACTER, WE ALWAYS ARE INTERESTED IN LEARNING HOW A PROPOSED NUCLEAR POWER STATION FITS INTO A NATION'S ENERGY PICTURE, WHETHER ALTERNATIVES HAVE BEEN CONSIDERED AND HOW A NUCLEAR STATION IS VIEWED AS COMPARED TO A FOSSIL FUEL PLANT. ACCORDINGLY, IT WOULD HELP US IN OUR CONSIDERATIONS OF THIS SUBJECT IF WE COULD BE PROVIDED WITH THE VIEWS OF THE FMG CONCERNING THE ANTICIPATED GROWTH OF ITS ELECTRICITY DEMANDS AND HOW IT JUDGES THAT A NUCLEAR FACILITY OR FACILITIES WOULD FIT INTO THESE DEVELOPMENTS.

(J) LASTLY, SINCE GERMANY IS AN IMPORTER OF US-SUPPLIED ENRICHED URANIUM, (ALTHOUGH IT ALSO HAS ACCESS TO OTHER SOURCES), IT IS POSSIBLE THAT FUEL THE FMG WOULD RECEIVE THROUGH AN ARRANGEMENT WITH GERMANY WOULD BE OF US ORIGIN AND AS SUCH WOULD REQUIRE AN AGREEMENT FOR COOPERATION BETWEEN NIGERIA AND THE US. THEREFORE, FMG PERCEPTION THAT PURCHASING FACILITY FROM GERMANY WILL FREE IT FROM NEGOTIATING BILATERAL AGREEMENT MAY BE INACCURATE.

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5. IN LIGHT OF FOREGOING, EMBASSY REQUESTED APPROACH FMG OFFICIALS ORALLY RELAYING POINTS IN THIS MESSAGE AND HIGHLIGHTING THE FOLLOWING POINTS:

(A) USG HAS POSITIVE INTEREST IN COOPERATING IN NUCLEAR POWER, IN REMAINING A RELIABLE SUPPLIER, AND IN EXPLORING NIGERIA'S NEEDS AND INTERESTS IN PARTICULAR (YOU MAY DRAW ON PARA 2 ABOVE IN DESCRIBING OUR BASIC ATTITUDES). AS MATTER OF PRACTICAL INFORMATION, DEPARTMENT WOULD APPRECIATE AN INDICATION OF THE SCHEDULE THAT THE FMG HAS IN MIND FOR DECIDING ON PROJECT FEASIBILITY, SIZE, CON-TRACTOR SELECTION, AND OPERATIONAL SCHEDULE.

(B) BY US LAW, COOPERATION IN NUCLEAR POWER PROJECTS MUST BE PURSUANT TO AN AGREEMENT FOR COOPERATION. ON US SIDE, AGREEMENT MUST BE APPROVED BY THE PRESIDENT AND LIE BEFORE CONGRESS FOR 60 DAYS BEFORE BECOMING EFFECTIVE UNLESS SPECIFICALLY DISAPPROVED BY BOTH HOUSES. IT IS NECESSARY TO HAVE AN AGREEMENT BEFORE NRC COULD ISSUE PERTINENT EXPORT LICENSES.

(C) IN LIGHT OF PRESIDENTIAL TRANSITION, USG NOT IM-

MEDIATELY IN POSITION TO ENTER INTO DETAILED NEGOTIATIONS OF APPROPRIATE AGREEMENT FOR COOPERATION SHOULD FMG BE INTERESTED. ACCORDINGLY, WE WOULD WELCOME A BRIEF HIATUS BEFORE SUBJECT OF POSSIBLE NEGOTIATIONS IS TAKEN UP BY USG AND FMG. HOWEVER, AS THE FMG MUST APPRECIATE, THE US HAS BEEN A LEADER IN COOPERATING WITH OTHER NATIONS IN THE

AREA OF NUCLEAR POWER, WE HAVE HIGH CONFIDENCE IN OUR TECHNOLOGY, AND WE WOULD BE PLEASED TO FULLY DISCUSS NIGERIA'S INTERESTS IN MOVING IN THIS AREA SHOULD THE FMG BE INTERESTED IN EXPLORING THE FEASIBILITY OF USING THE US AS A SUPPLIER. WE WOULD HOPE AD REFERENDUM DIS-LIMITED OFFICIAL USE  
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CUSSIONS ON THE MATTER COULD TAKE PLACE--IF THE FMG IS INTERESTED--IN EARLY 1977 AND IN THE MEANTIME WOULD WELCOME RECEIVING ANY BACKGROUND MATERIAL THAT THE FMG COULD FURNISH US.

6. BEGIN FYI. AS EMBASSY MUST APPRECIATE, THE SUBJECT OF MAJOR COOPERATION IN THE NUCLEAR FIELD HAS BECOME EXTREMELY SENSITIVE WITHIN THE US, AND AS NOTED, WE WISH TO AVOID TAKING STEPS THAT UNNECESSARILY PREJUDGE THE OPTIONS AVAILABLE TO THE NEXT ADMINISTRATION. THUS, TO THE EXTENT PRACTICABLE, WE WOULD LIKE TO KEEP THE DOOR OPEN WITH THE NIGERIANS WITHOUT AROUSING FALSE EXPECTATIONS ON THEIR PART, AND YOU SHOULD BE GUIDED ACCORDINGLY. APART FROM PROCESSING THE NECESSARY "175" AUTHORIZATION FROM THE SECRETARY, WE MIGHT WISH TO TAKE HIGH-LEVEL SOUNDINGS BEFORE WE MOVE TO ANY FORMAL NEGOTIATIONS. YOU ARE REQUESTED TO TAKE THESE FACTORS INTO ACCOUNT IN YOUR HANDLING OF THIS MATTER. END FYI.  
KISSINGER

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